

Program A: Business Services

R.S. 51:2311 et. seq.; R.S. 51:2315; R.S. 51:2331; R.S. 51:2341 et. seq.; R.S. 51:2377 et. seq.; Acts 6, 7, 8, 9 and 12 of the 2001 Regular Legislative Session.

Program Description

The mission of the Business Services Program is to maintain and advance economic development vitality in Louisiana through economic research and technical assistance, greater awareness of and access to grant, technology and international resources, vital business retention and assistance services, and university and government relationships with the business community.

The goals of the Business Services Program are:

1. Encourage access to international marketing opportunities.
2. Expand and communicate available services to our customers.
3. Increase the formation, growth and survival rates of Louisiana-based businesses.
4. Increase collaboration between businesses and post-secondary institutions.
5. Expand access to available resources.
6. Provide massive multi-directional communication.
7. Support cluster-based economic development.

The Business Services Program supports cluster-based economic development by encouraging and assisting in the start-up and expansion of business and industry; providing technical and financial assistance to economically disadvantaged contractors and businesses; providing international expertise to develop and optimize global opportunities for trade and inbound investments; providing local partnering services for community development projects; providing communication, advertising and marketing, and research activities; providing economic development grant writing and administration activities; providing for music, film and video development and promotion; and providing for military and international opportunities. This program administers initiatives based on technology development and innovation. The Business Services Program has ten activities: Executive, Business Retention and Assistance, Local Partners, Technology Innovation and Modernization, Grants Services, Communications and Research Services, Music, Film and Video, International Services, and Military Services. The Executive activity provides leadership for all Office of Business Development activities.

The Business Retention and Assistance activity supports the creation, retention, expansion and recruitment of industries along with eight regional representatives located throughout the state; assists companies with international trade opportunities; and provides services to small and emerging businesses.

The Local Partners activity is the state's outreach arm, where regional representatives serve as a conduit to state resources for local development entities and support efforts to create, retain, expand, and recruit industries into the state.

The Technology, Innovation and Modernization activity coordinates resources dedicated to improving the ability of businesses through the state to utilize technology and serves as a conduit between the universities and businesses to encourage collaboration.

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The Grants Services activity coordinates the state's efforts to obtain economic development grants and other funds by providing information and assistance with locating funding sources and preparation of proposals and applications.

The Communications and Research activity acts as the information arm of the department by conducting research, developing cluster-specific promotional and support materials, maintaining relevant economic and market data, and coordinating communications

The Music activity promotes and develops the state's popular commercial music and related industries to provide economic and cultural benefit for the state, and to preserve Louisiana's musical legacies.

The Film and Video activity promotes film and video production in the state to increase employment, tax revenues and spending in the state, and to ensure an accurate and positive portrayal of the state in film projects.

The International Services activity provides and coordinates assistance, guidance and resource access to ensure effective marketing of Louisiana as the place to establish and/or grow international business investment opportunities and develops international trade opportunities for Louisiana businesses.

The Military Services activity provides assistance, guidance and resource access to enhance the attractiveness for, and ensure the sustainability of, all military installations in Louisiana through collaboration initiatives, and assists companies in developing defense-related contract opportunities for Louisiana products/services.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$32,553,436	\$23,982,666	\$24,669,809	\$17,732,462	\$22,529,704	(\$2,140,105)
STATE GENERAL FUND BY:						
Interagency Transfers	47,000	1,000,000	1,739,569	1,000,000	1,000,000	(739,569)
Fees & Self-gen. Revenues	55,000	2,055,000	2,055,000	2,055,000	2,095,000	40,000
Statutory Dedications	2,292,207	3,550,091	3,768,649	3,225,914	7,430,442	3,661,793
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	79,972	100,000	710,000	310,000	832,000	122,000
TOTAL MEANS OF FINANCING	\$35,027,615	\$30,687,757	\$32,943,027	\$24,323,376	\$33,887,146	\$944,119
EXPENDITURES & REQUEST:						
Salaries	\$1,292,701	\$1,717,056	\$1,688,992	\$1,709,272	\$1,708,213	\$19,221
Other Compensation	22,185	13,734	13,734	13,734	13,734	0
Related Benefits	230,855	290,317	309,115	414,625	350,385	41,270
Total Operating Expenses	305,858	425,809	412,056	417,027	414,556	2,500
Professional Services	1,303,094	1,431,672	1,770,526	1,467,321	4,388,956	2,618,430
Total Other Charges	31,858,137	26,809,169	28,705,585	20,301,397	27,011,302	(1,694,283)
Total Acq. & Major Repairs	14,785	0	43,019	0	0	(43,019)
TOTAL EXPENDITURES AND REQUEST	\$35,027,615	\$30,687,757	\$32,943,027	\$24,323,376	\$33,887,146	\$944,119
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	19	22	22	22	20	(2)
Unclassified	9	11	11	11	11	0
TOTAL	28	33	33	33	31	(2)

SOURCE OF FUNDING

The sources of funding for this program are from General Fund, Interagency Transfer, Fees and Self-generated Revenues, Statutory Dedications and Federal Funds. The Interagency Transfer is from the Department of Social Services for the Microenterprise Program. Fees and Self-generated Revenues are derived from the Alliance Compressors - Loan Guarantee Program and through the sale of advertising space, to produce the annual Film and Video Directory. Statutory Dedications are derived from the Small Business Surety Bonding Fund which was recreated by Act 9 of the 2001 Regular Session, the Marketing Fund based on Act 7 of the 2001 Regular Session, and the Louisiana Economic Development (LED) Fund in accordance to Act 34 of the 1991 Regular Session. The LED funds are utilized for administrative support in the Executive Activity and for technical assistance in Small and Emerging Business Development Fund. The Louisiana Economic Development Fund includes cash from investments and vendor's compensation from the Department of Revenue and the Department of Public Safety. Acts 7, 8 and 9 of the 2001 Regular Session restructured the department; the Workforce Development and Training Fund and the Economic Development Award Fund were eliminated and subsequently merged into the Louisiana Economic Development. (Per R.S. 39:36B.(8), see table below for a listing of expenditures out of each statutory dedicated fund.) Federal Funds are provided from a grant from the U.S. Small Business Administration Outreach Program which offers technical assistance to small technology based firms.

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	OVER/(UNDER) EXISTING
Marketing Fund	\$1,834,261	\$2,000,000	\$2,080,342	\$2,000,000	\$2,715,521	\$635,179
Small Business Surety Bonding Fund	\$281,536	\$1,200,000	\$1,200,000	\$900,000	\$900,000	(\$300,000)
Louisiana Economic Development Fund	\$176,410	\$324,205	\$462,421	\$325,914	\$3,814,921	\$3,352,500
Deficit Elimination/Capital Outlay Escrow Replenishment Fu	\$0	\$25,886	\$25,886	\$0	\$0	(\$25,886)

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$23,982,666	\$30,687,757	33	ACT 13 FISCAL YEAR 2002-2003
			BA-7 TRANSACTIONS:
\$20,000	\$20,000	0	Realignment of funds in the correct program
\$0	\$210,000	0	EDA Grants Match Program
\$0	\$187,669	0	Prior Year TANF Funding
\$667,143	\$1,837,601	0	Carryforward BA-7
\$24,669,809	\$32,943,027	33	EXISTING OPERATING BUDGET - December 2, 2002
\$12,164	\$12,671	0	Annualization of FY 2002-2003 Classified State Employees Merit Increase
(\$667,143)	(\$1,837,601)	0	Non-Recurring Carry Forwards
(\$38,769)	(\$40,384)	0	Attrition Adjustment
\$23,374	\$24,772	0	Group Insurance Adjustment
\$0	(\$35,460)	0	Other Non-Recurring Adjustment - One-time surcharge for Group Insurance
(\$200,000)	(\$200,000)	0	Other Non-Recurring Adjustments - One-time expense for CORA
\$0	(\$300,000)	0	Other Non-Recurring Adjustments - Reduction to reflect the fund balance of the Small Business Bonding Fund
(\$296,056)	(\$296,056)	0	Other Non-Recurring Adjustments - Reduction to meet contractual obligations for UNO Avondale
(\$3,000,000)	(\$3,000,000)	0	Other Non-Recurring Adjustments - Completion of Phase III of the UNO/Navy Project
(\$1,000,000)	(\$1,000,000)	0	Other Non-Recurring Adjustments - One-time expenses for the NCAA Men's Final Four and the Women's Volleyball Tournament
\$0	(\$187,669)	0	Other Non-Recurring Adjustments - Prior year contractual obligations for TANF funds
(\$79,141)	(\$79,141)	0	Other Non-Recurring Adjustments - Reduction to meet obligations for the Career Builders Program
(\$50,000)	(\$50,000)	0	Other Non-Recurring Adjustments - One-time expenses for Concordia Parish Economic Development District
(\$75,000)	(\$75,000)	0	Other Non-Recurring Adjustments - One-time expenses for the 2004 National Baptist Convention
(\$59,394)	(\$59,394)	0	Other Non-Recurring Adjustments - Reduction to meet contractual obligations for Louisiana Technology Park
(\$200,000)	(\$200,000)	0	Other Non-Recurring Adjustments - Occupational Search Pre-Job Training Skills
(\$250,000)	(\$250,000)	0	Other Non-Recurring Adjustments - Tri-Ward Housing Program
(\$100,000)	(\$100,000)	0	Other Non-Recurring Adjustments - Funding for the Bayou Classic
(\$100,000)	(\$100,000)	0	Other Non-Recurring Adjustments - GateKeepers Faith-based Organization
(\$40,000)	(\$40,000)	0	Other Non-Recurring Adjustments - Start-up Costs for Louisiana Purchase Trade Days
(\$100,000)	(\$100,000)	0	Other Non-Recurring Adjustments - New Orleans Redevelopment Authority
(\$200,000)	(\$200,000)	0	Other Non-Recurring Adjustments - Economic Development Study for the Lafayette Economic Development Authority

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GENERAL FUND	TOTAL	T.O.	DESCRIPTION
(\$25,000)	(\$25,000)	0	Other Non-Recurring Adjustments - Baton Rouge Intercity Economic Development District
(\$100,000)	(\$100,000)	0	Other Non-Recurring Adjustments - Algiers Economic Development Foundation
(\$100,000)	(\$100,000)	0	Other Non-Recurring Adjustments - Jefferson Economic Development Foundation
(\$50,000)	(\$50,000)	0	Other Non-Recurring Adjustments - Volunteer America Lighthouse Project
(\$50,000)	(\$50,000)	0	Other Non-Recurring Adjustments - Jefferson Performing Arts Society
(\$75,000)	(\$75,000)	0	Other Non-Recurring Adjustments - Red Fish Tournament
(\$250,000)	(\$250,000)	0	Other Non-Recurring Adjustments - Compaq Classic Golf Tournament
\$0	\$0	(3)	Other Adjustments - Removal of (3) three positions from the Film and Video Commission Activity
\$262,860	\$302,860	0	Other Technical Adjustments - Properly Align Foreign Reps Funds
\$300,000	\$300,000	0	New and Expanded Adjustments - Small and Emerging Business Development
\$2,000,000	\$2,000,000	1	New and Expanded Adjustments - Communications and Image Development Initiative
\$100,000	\$100,000	0	New and Expanded Adjustments - Essence Music Festival
\$567,000	\$567,000	0	New and Expanded Adjustments - Wet Labs Operating Expenses
\$0	\$522,000	0	New and Expanded Adjustments - Funding provided for the Microenterprise Program
\$800,000	\$800,000	0	New and Expanded Adjustments - Funding provided for the Gene Therapy (GMP) Lab Operating Expenses
\$0	\$715,521	0	New and Expanded Adjustments - Ad/Prom/Marketing Fund Balance
\$150,000	\$150,000	0	New and Expanded Adjustments - Idea Village
\$250,000	\$250,000	0	New and Expanded Adjustments - "Clustering Louisiana" Business Surveys
\$500,000	\$500,000	0	New and Expanded Adjustments - Chemical and Bio-terrorism Training and Research
\$0	\$3,500,000	0	New and Expanded Adjustments - Northrop Grumman Project
\$22,529,704	\$33,887,146	31	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$22,529,704	\$33,887,146	31	BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$22,529,704	\$33,887,146	31	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

\$100,000	Funds provided to market research in each of the targeted cluster areas
\$1,927,203	Provide advertising, promotion and marketing related services for the Department's programs with emphasis on an economic approach targeted at identified economic development clusters and any other services deemed necessary
\$1,938,903	Funding provided for the Communication and Image Development Initiative
\$49,990	Economic Development efforts in maintaining the military segment of the state economy
\$46,010	Study assessments for the Governor's Military Advisory Board and to provide for any other professional services as deemed necessary
\$23,990	Provide public relation services and administrative support to the Military Advisory Board
\$134,822	Representative for Far East
\$81,000	Representative for Europe
\$87,038	Representative of Latin America
\$4,388,956	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$141,182	Special Marketing - Funds are used for meetings with prospects, group activities, special events, and activities to promote economic activity and stimulate interest in Louisiana as a business location.
\$10,000	Special Marketing - Funds are used for special marketing events associated with the Military Advisory Board.
\$452,078	Small Business Development Centers (SBDC) - Provision of management assistance and business counseling to Louisiana small businesses.
\$4,958,581	University of New Orleans Research and Technology - Avondale - This represents the 7th year of a 15 year commitment of \$50 million.
\$450,000	METROVISION Partnership - for the ten parish regional economic development organization in the Greater New Orleans area and to market the METROVISION and River Region through cluster-based economic initiatives.
\$300,000	National Center for Advanced Manufacturing (NCAM) - Provide for operational expenses of the NCAM facility and development of new undergraduate and graduate level courses in advanced manufacturing utilizing advanced materials.
\$250,000	Macon Ridge Economic Development Region - Provide economic development services to the 12 member-parishes of the Macon Ridge Economic Development Region in north Louisiana
\$150,000	South Louisiana Economic Development Council - To advance and expand the existing strategic planning initiative (Bayou Vision) to plan, implement, and maintain community education, and economic development activities that result in the economic growth and diversification of the Bayou Region (Assumption, Lafourche, Terrebonne and St. Mary Parishes).
\$57,205	Training to educate and inform communities/economic development professionals and department staff throughout the state on cluster based economic development and to begin development of a comprehensive professional development curriculum for department staff.
\$100,000	U. S. Small Business Administration Rural Outreach Program - Federal Grant to further expand work efforts of small technology based firms.
\$480,000	Local Partner Services - The state's outreach arm, where regional representatives serve as a conduit to state resources for local development entities and support efforts to create, retain, expand, and recruit industries into the state.
\$900,000	Small Business Surety Bonding Program - Supports the Small and Emerging Business Development's effort to provide financial assistance to small businesses to mitigate gaps in the state surety bond market.
\$308,000	Small and Emerging Business Development - Technical assistance to provide funds for assisting small and emerging businesses by providing managerial and/or developmental assistance and technical assistance which includes business plan review, loan applications, mentoring and other specialized assistance such as legal, accounting, etc.
\$300,000	Small and Emerging Business Development - To enhance funding for small business development centers statewide and to assist small businesses with counseling and training.
\$250,000	LA Technology Transfer Office - To operate the State of Louisiana Technology Center Office at the John Stennis Space Center.
\$315,000	La Partnership for Technology and Innovation - Assist Louisiana technology-based startup and growing businesses in accessing funding sources, sales, research contracts, licensing revenue streams, etc.
\$350,000	Greater Baton Rouge Economic Partnership - To market the 9-parish economic development organization in the Greater Baton Rouge area through cluster-based economic development initiatives.
\$4,325,079	Louisiana Technology Park and Solid Systems, Inc. - Provides funds for data center services, equipment lease and operating expenses of the technology park.
\$1,100,000	Sugar Bowl - Funds available/required by the Sugar Bowl to be a member of the College Football Alliance.
\$375,000	Independence Bowl - Funds available/required by the Independence Bowl Foundation to host the MainStay Independence Bowl in Shreveport, Louisiana.

OTHER CHARGES

\$350,000	New Orleans Bowl - Funds available/required by the Greater New Orleans Sports Foundation to host the New Orleans Bowl.
\$75,000	LA Council for Economic Education - Provide administrative services which will facilitate the planning, coordinating and performance of economic education activities of the state Louisiana Council for Economic Education office and the eight university and college based Centers for Economic Education.
\$50,000	LA Furnishings Industry Association - Development, design and startup of industry retention programs, targeting instate industries for expansion and startup, operating trade shows, participate in multi-state trade initiatives and other activities that promote the organization, communication and growth of the state's secondary forest products industry.
\$750,000	Marketing Education Initiatives - Marketing Education Retail Alliance - This program rewards and motivates high school students throughout the state by providing enhanced and/or enriched learning opportunities. This program improves the visibility and understanding of lifetime skills available through marketing education, enhances the linkage between schools in Louisiana, national DECA, employment opportunities and the international marketing environment, improving the educational experiences available for Louisiana's young people, and upgrades technology in Louisiana schools and promote/encourage National Retail Skills Standards.
\$250,000	Marketing Education Initiatives - Southern Community Development Corporation - Education programs for the retail community, to upgrade the image of retail careers, and provide competent and committed employees to retailers.
\$2,000,000	Alliance Compressors - For a loan guarantee with respect to interim and permanent financing of the Alliance Compressor Plant in Natchitoches.
\$55,000	Film and Video Directory - Production - Through the sale of advertising space, to produce the annual film and video directory. The directory is a resource of sites, facilities, services, crew and tax incentives with regard to film and video production on-site in Louisiana.
\$158,283	Career Builders Program - An industry-led school-to-work partnership that links business and education to create a better workforce.
\$106,375	Delta Regional Authority-Provides state match requirement for administrative costs in order to receive \$5.3 million in federal funds for the four regions designated as renewal communities.
\$210,000	Federal Grant - Economic Development Administration - To facilitate the development of industry clusters within 6 of the 8 regions of the state.
\$1,522,000	TANF Funds provided by Department of Social Services to fund Microenterprise Development which will be transferred to Department of Economic Development from the Office of Women's Services. This includes funding for (2) two positions.
\$567,000	Funding provided for operating expenses of the Wet Labs (in Baton Rouge, New Orleans and Shreveport)
\$100,000	Funding provided for the Essence Music Festival
\$800,000	Funding provided for operating expenses of the Gene Therapy Lab
\$150,000	Funding provided for the Idea Village Initiative
\$250,000	Funding provided for the "Clustering Louisiana" Business Surveys Initiative
\$3,500,000	Funding provided to University of New Orleans Center of Excellence for repayment of debt service for public infrastructure at Northrop Grumman Ship Systems - Avondale Operations
\$500,000	Funding provided to the National Center for Security Research and Training (NCSRT) for chemical and bio-terrorism training and research
\$26,965,783	SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$13,739 Office of State Mail - Postage

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OTHER CHARGES

\$29,280	Office of Telecommunication-State Telephone Services
\$2,500	Ad/Marketing /Promotion Operating Expenses
\$45,519	SUB-TOTAL INTERAGENCY TRANSFERS

\$27,011,302	TOTAL OTHER CHARGES
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ACQUISITIONS AND MAJOR REPAIRS

\$0 This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2003-2004.

\$0 TOTAL ACQUISITIONS AND MAJOR REPAIRS